

Message Text

SECRET

PAGE 01 CAIRO 12267 01 OF 02 111848Z

47

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 076719

O 111740Z SEP 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC NIACT IMMEDIATE 6961

INFO AMEMBASSY TEL AVIV NIACT IMMEDIATE

S E C R E T SECTION 1 OF 2 CAIRO 12267

EXDIS

E.O. 11652: GDS

TAGS: PFOR, IS, EG, US

SUBJECT: ISRAELI ACTIONS IN THE GULF OF SUEZ

REF: CAIRO 12265

1. THIS REPORTS IN GREATER DETAIL MY DISCUSSIONS SEPTEMBER 11 WHICH WERE SUMMARIZED IN REFTEL. FAHMY'S CHEF DE CABINET OSAMA AL-BAZ ASKED ME TO CALL ON HIM AT 1230 SEPTEMBER 11. I HAD IN MEANTIME REQUESTED A MEETING WITH FONMIN TO DELIVER MESSAGE ON SEPARATE SUBJECT AND THIS APPOINTMENT CAME THROUGH FOR 2 P.M. WHILE I WAS IN AL BAZ'S OFFICE. AL BAZ LATER JOINED ME IN MEETING WITH FAHMY.

2. AL BAZ MEETING. AL BAZ SAID THAT ON FAHMY'S INSTRUCTIONS HE WISHED TO TELL ME THAT GOE COMPLETELY AND CATEGORICALLY REJECTS THE ISRAELI STAND ON GULF OF SUEZ OIL EXPLORATION AND EXPECTS THAT USG WILL TAKE A "MORE FIRM" POSITION WITH THE ISRAELIS. HE SAID FAHMY INTENDS RAISE ISSUE WITH SECRETARY IN NEW YORK BUT WANTED US TO KNOW NOW THAT EGYPT HAS VERY STRONG VIEWS ON SUBJECT.

3. WHEN I ASKED WHAT HE MEANT BY A MORE FIRM POSITION BY USG WITH ISRAEL, SINCE I DID NOT UNDERSTAND HOW GOE COULD KNOW WHAT KIND OF POSITION WE HAD TAKEN WITH ISRAEL, AL BAZ SAID THAT THIS WAS IMPRESSION EGYPT HAD RECEIVED FROM PRESS ACCOUNTS AND FROM ABSENCE OF CHANGE IN ISRAELI STAND. HE REFERRED

SECRET

SECRET

PAGE 02 CAIRO 12267 01 OF 02 111848Z

SPECIFICALLY TO STATEMENTS BY DEPARTMENT SPOKESMAN ON SEP-

TEMBER 7 IN WHICH LATTER HAD REFUSED TO CATEGORIZE US ATTITUDE AS "ONE OF ANGER". I RESPONDED THAT WE HAD INDEED TAKEN VERY FIRM POSITION TO ASSERT RIGHT OF AMERICAN COMPANY TO DRILL IN ITS CONCESSION AREA. HOWEVER, WE DID NOT SEE ANY PURPOSE IN PUBLIC CONFRONTATION AND HAD THEREFORE ATTEMPTED TO PREVENT THE ISSUE FROM BECOMING A DRAMA IN THE PRESS WHICH COULD ONLY MAKE PRACTICAL SOLUTION MORE DIFFICULT.

4. AL BAZ READ TO ME MINPET ACCOUNTS OF RECENT INCIDENTS IN GULF WHICH HAVE ALREADY BEEN REPORTED. HE ALSO HAD REPORT FROM MINPET HILAL CONCERNING MY DISCUSSIONS WITH HIM SEPTEMBER 7. AL BAZ SAID THAT EGYPT VIEWS THESE INCIDENTS IN VERY SERIOUS LIGHT AND STATED THAT ISRAELI ACTIONS HAVE HINDERED THE PRODUCTIVITY AND DEVELOPMENT OF RAMADAN FIELD, WHICH IS VERY IMPORTANT FOR EGYPT'S 5-YEAR PLAN. I REITERATED THAT WE HAD BEEN IN TOUCH WITH ISRAELIS IN NUMBER OF DISCUSSIONS TO ASSERT RIGHT OF AMERICAN COMPANY TO CARRY OUT ITS LEGITIMATE ACTIVITIES AND THAT WE ARE TRYING TO WORK OUT A PRACTICAL SOLUTION.

5. MEETING WITH FAHMY. WHEN I RETURNED TO MEET WITH FAHMY, HE HAD ALREADY RECEIVED REPORT OF MY CONVERSATION WITH AL BAZ AND TOLD ME I NEED NOT REPEAT WHAT I HAD SAID EARLIER. HE WISHED TO UNDERLINE THE GREAT SERIOUSNESS OF EGYPT IN REJECTING ISRAELI ACTIONS. HE WAS TIRED OF RECEIVING DAILY REPORTS OF INCIDENTS FROM MINISTERS OF WAR AND PETROLEUM. WHILE PRESIDENT SADAT WAS GENERALLY INFORMED OF INCIDENTS, FAHMY HAD NOT TAKEN THEM UP WITH HIM AS A "POLITICAL MATTER". HE WOULD NOW HAVE TO DO SO AND SADAT'S REACTION WOULD BE VERY STRONG.

6. FAHMY SAID THAT ISRAEL IS MAKING A MISTAKE IF IT BELIEVED THAT EGYPT DID NOT HAVE SUFFICIENT STRENGTH TO COUNTER THESE ISRAELI ACTIONS. HE DID NOT WANT TO MAKE ANY THREATS AND DID NOT WANT TO BE FORCED TO TAKE ANY COUNTERACTIONS, BUT EGYPT WAS DEFINITELY NOT HELPLESS IN THIS SITUATION.

7. FAHMY THEN CITED VARIOUS OPTIONS THAT EGYPT COULD TAKE. HE SAID THAT EGYPT COULD REFUSE TO RENEW THE UNEF MANDATE AND THEN RENEW IT ONLY FOR PERIOD OF 3 MONTHS; THIS WOULD KEEP
SECRET

SECRET

PAGE 03 CAIRO 12267 01 OF 02 111848Z

TENSIONS HIGH IN THE AREA. HE WOULD FORBID ANY JOINT COMMISSION MEETINGS SO LONG AS THESE ISRAELI ACTIONS WERE TAKING PLACE (HE ADMITTED THAT NONE PRESENTLY SCHEDULED), LATER IN CONVERSATION, IN A MANNER SUGGESTING HE HAD JUST THOUGHT OF IT, HE SAID EGYPT COULD STOP ISRAELI CARGO GOING THROUGH THE CANAL; THIS WOULD MAKE FAHMY A HERO IN THE ARAB WORLD. HE THEN SAID THAT EVEN MORE DRAMATIC ACTION COULD BE TAKEN AND RECOUNTED HOW EGYPTIAN FROGMEN HAD

BLOWN UP AN ISRAELI RIG IN DAKAR HARBOR BEFORE THE 1973 WAR WHILE RIG WAS ON ITS WAY FROM HOLLAND TO ISRAEL. FAHMY REPEATED THAT EGYPT DID NOT WANT TO HAVE TO TAKE SUCH ACTIONS AND HE WAS NOT THREATENING TO DO SO, BUT HE WANTED IT CLEARLY UNDERSTOOD THAT EGYPT'S HANDS WERE NOT TIED.

8. I RESPONDED THAT I HOPED VERY MUCH THAT NO ACTIONS WOULD BE TAKEN TO HEAT UP SITUATION OR TO PROVOKE CONFRONTATION. I SAID WE HAD HOPED MATTER WOULD NOT ARISE IN PRESS BUT IT HAD UNFORTUNATELY DONE SO. OUR PRESS SPOKESMAN HAD ATTEMPTED TO REDUCE THE RHETORIC ON THIS ISSUE BUT HAD MADE CLEAR THAT WE DO NOT AGREE WITH ISRAELI POSITION. I REPEATED THAT WE ARE ATTEMPTING TO ACHIEVE A PRACTICAL SOLUTION TO ALLOW AMOCO TO CONTINUE ITS LEGITIMATE EXPLORATION ACTIVITIES IN THE GULF. WE ARE IN TOUCH WITH ISRAEL BOTH IN WASHINGTON AND ISRAEL AND WE ARE CONTINUING TO SEEK TO SEED TO AVOID AN OPEN CONFRONTATION ON THIS ISSUE.

SECRET

NNN

SECRET

PAGE 01 CAIRO 12267 02 OF 02 111854Z

47

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
----- 076764

O 111740Z SEP 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC NIACT IMMEDIATE 6962

INFO AMEMBASSY TEL AVIV NIACT IMMEDIATE

S E C R E T FINAL SECTION OF 2 CAIRO 12267

EXDIS

9. FAHMY SAID IT WAS ALL VERY WELL FOR UNDER SECRETARY HABIB TO DISCUSS ISSUE WITH DINNITZ AND FOR AMBASSADOR TOON TO DISCUSS IT IN ISRAEL, BUT FAHMY THOUGHT THE SECRETARY SHOULD SEND A MESSAGE HIMSELF OR EVEN ONE FROM PRESIDENT FORD TO RABIN TO MAKE THE ISRAELIS CEASE THEIR OBSTRUCTIONS. I NOTED THAT THE SECRETARY HAD BEEN MUCH INVOLVED IN THIS ISSUE, HAD FOLLOWED IT CLOSELY AND HAD SENT NECESSARY INSTRUCTIONS TO PRODUCE A SOLUTION ALONG THE LINES THAT I HAD MENTIONED. FAHMY SAID HE APPRECIATED THE SECRETARY'S POSITION AND HIS EFFORTS AND WISHED TO THANK HIM VERY MUCH;

HE ASKED ME TO BE SURE TO CONVEY HIS APPRECIATION TO THE SECRETARY AND I ASSURED HIM I WOULD.

10. HOWEVER ISSUE WAS VERY SERIOUS FOR EGYPT, FAHMY CONTINUED, AND HE WANTED ME TO KNOW THAT THE SECOND TIME THE MARINER RIG HAD GONE BACK TO SITE 304.1, EGYPTIAN GUNBOATS HAD BEEN STATIONED 10 MILES BEHIND IT AND WERE PREPARED TO OPEN FIRE IF NECESSARY. THESE ORDERS HAD BEEN GIVEN BY GENERAL GAMASY WITH THE APPROVAL OF PRESIDENT SADAT WHO HAD SAID "GO AHEAD". FAHMY WANTED ME TO KNOW THAT PRESIDENT SADAT HAD PERSONALLY ENDORSED USE OF EGYPTIAN GUNBOATS IF NECESSARY.

11. I RESPONDED THAT WE TOO REGARDED THIS ISSUE AS A SERIOUS MATTER AND WERE DOING OUR BEST TO REACH A SOLUTION THAT WOULD ASSURE AMOCO RIGHTS TO DRILL IN ITS CONCESSION AREA. I URGED THAT NO ACTIONS BE TAKEN THAT WOULD AGGRAVATE SITUATION. FAHMY REPLIED THAT HE WISHED AVOID ANY CONFRONTATION.
SECRET

SECRET

PAGE 02 CAIRO 12267 02 OF 02 111854Z

TATION BUT RAMADAN OIL WAS IMPORTANT TO EGYPT AND HE REFUSED TO ACCEPT ANY INTERFERENCE WITH AMOCO OPERATIONS. HE SAID WE SHOULD BE SURE TO READ AN INTERVIEW HE HAS GIVEN TO AKHIR SA'A WEEKLY NEWS MAGAZINE WHICH WILL APPEAR SEPTEMBER 15, SINCE IT CONVEYED HIS VIEWS FULLY. I SAID WE WOULD READ THE INTERVIEW WITH INTEREST BUT HOPED THAT PRESS TREATMENT OF GULF OF SUEZ INCIDENTS COULD BE KEPT RESTRAINED.

12. FAHMY CONCLUDED THAT HE WOULD RAISE THIS ISSUE WITH THE SECRETARY IN NEW YORK BUT TIME WAS RUNNING OUT WITH THE SEPTEMBER 21 DEADLINE FAST APPROACHING. I SAID I WOULD CONVEY FAHMY'S VIEWS TO THE SECRETARY.

13. COMMENT: DESPITE HIS STRONG STATEMENTS, FAHMY WAS IN PLEASANT MOOD (HE THINKS HE MAY BE ABLE TO BRING OFF A SOLUTION IN LEBANON) AND DID NOT MAKE HIS POINTS IN ANY KIND OF THREATENING MANNER. HE WANTS US TO KNOW HOW SERIOUS AN ISSUE THIS FOR EGYPT AND THE UNFORTUNATE CONSEQUENCES WHICH COULD ARISE IF IT IS NOT SOLVED SATISFACTORILY. IS OF INTEREST THAT FAHMY DID NOT SEEM TO BE TAKING LEGALISTIC APPROACH AND SEEMED TO ACCEPT DESIRABILITY OF A PRACTICAL SOLUTION TO THE PROBLEM. WE URGE THAT ONE BE WORKED OUT URGENTLY BEFORE THE MATTERS GET OUT OF HAND IN THE GULF.
MATTHEWS

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HARASSMENT, OFFSHORE OIL FIELDS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO12267
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760343-1197
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760970/aaaacibk.tel
Line Count: 216
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 76 CAIRO 12265
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUN 2004 by ellisoob>; APPROVED <07 OCT 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ISRAELI ACTIONS IN THE GULF OF SUEZ
TAGS: PFOR, US, IS, EG, AMOCO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006